1971

ANNUAL REPORT

OF

The Belt Railway Company

of CHICAGO

FOR THE

YEAR ENDED DECEMBER 31, 1971

BOARDS
652.0973
B419a

General Offices
6900 South Central Avenue
Chicago, Illinois 60638

DIRECTORS

J. C. DAVIS, The Atchison, Topeka and Santa Fe Railway Co. . . .Chicago, Ill.
J. E. HAMER, Burlington Northern Inc. . . . . .Chicago, Ill.
C. V. COWAN, The Chesapeake and Ohio Railway Co. . . . . Baltimore, Md.
H. S. VIERLING, Chicago & Eastern Illinois Railroad Co. . . . .Chicago, Ill.
M. L. CASSELL, Chicago, Rock Island and Pacific Railroad Co. . .Chicago, Ill.
J. R. NEIKIRK, Erie Lackawanna Railway Co. . . . . Cleveland, Ohio
D. G. WOODEN, Grand Trunk Western Railroad Co. . . . . Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central Railroad Co. . . . . .Chicago, Ill.
R. E. BISHA, Louisville and Nashville Railroad Co. . . . . .Louisville, Ky.
S. T. BROWN, Louisville and Nashville Railroad Co. (Monon Div.). Roanoke, Va.
R. F. DUNLAP, Norfolk and Western Railway Co. . . . . Roanoke, Va.
K. E. SMITH, Penn Central Transportation Co. . . . . .Chicago, Ill.
J. D. BOND, Soo Line Railroad Co. . . . . Minneapolis, Minn.

MAY 26 1972

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EXECUTIVE COMMITTEE

J. C. Davis, Chairman

J. D. Bond
R. F. Dunlap
K. E. Smith
O. H. Zimmerman

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OFFICERS

President and General Manager . . . . . R. E. DOWDY
Vice President and Assistant General Manager. . . . . D. R. TURNER
Secretary and Treasurer . . . . . G. D. MORIARTY
General Counsel . . . . . R. F. KOPROSKE
Controller. . . . . M. B. OSTROWSKI
Assistant Secretary and Assistant Treasurer . . . . . .J. CHESTER

ANNUAL MEETING

SECOND TUESDAY IN MAY

Chicago, Illinois
May 9, 1972

To the Stockholders of
The Belt Railway Company of Chicago

The Annual Report of the company, showing results of operations for the Year 1971, is hereby submitted.

The operating revenues for the company were up slightly even though we had a substantial business loss. The increase in revenues is due to a freight rate increase and higher demurrage collections, resulting from rate increases during 1971.

The main area of business loss was in direct delivery cars, previously handled through the Belt from Owner roads to connections. Direct delivery traffic over Belt rails alone increased almost 14%.

The goal of the management in 1972 is to regain some of the lost interchange traffic and, at the same time, reduce all unnecessary expenses. We hope to become more competitive in handling the interchange traffic by blocking cars for Owner Line pick up and to effect prompt deliveries to non-owners.

Rail replacement during the year consisted of 314 gross tons of new and 267 gross tons of second hand rail. There were 16,026 new cross ties installed, and 189,969 feet B.M. of switch ties. In addition, there were 286 bridge ties installed. During the year 8.4 miles of track on the 59th Street Line were rehabilitated by undercutting and installing new ties and ballast.

During the year an order was placed for six (6) new EMD 2000 H.P. locomotives and authorization received for retirement of eight (8) 660 to 1500 H.P. locomotives. Delivery of the new locomotives is expected in July 1972.

In 1971 we entered into the Bedford Industrial Park Venture with J. L. Williams Company. So far, street construction and other improvements are partially completed with five (5) speculative buildings under construction, one (1) of which is leased for occupancy in April 1972.

The Board acknowledges the cooperation and contributions of the employees during the past year.

By order of the Board of Directors.

R. E. DOWDY

President and General Manager

REPORT OF OPERATIONS FOR YEAR 1971

REVENUES:

Total operating revenues for the year were $14,865,559, an increase of $365,700, or 2.5 per cent. Total intermediate cars and local loaded cars handled in Belt Separate Operation comprise the principal source of operating revenue. Intermediate cars handled decreased 64,599, or 16.0 per cent; local loaded cars handled decreased 13,809, or 7.2 per cent.

Demurrage charges assessed various industries increased $464,132, or 58.3 per cent, principally due to higher charges placed in effect April 1, 1971.

Direct deliveries by owner lines and other connections increased 107,805 cars, or 13.9 per cent.

OPERATING EXPENSES:

Total gross operating expenses in 1971 were $16,869,103, an increase of $588,890, or 3.6 per cent; higher wage rates amounted to $1,282,904. Operating ratio decreased to 90.60 from 91.39 in 1970.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense increased $330,822, or 13.0 per cent; that portion chargeable to Belt Railway Separate Operation increased $172,477, or 9.9 per cent, reflecting increases principally in "Ties", "Ballast" and "Track Laying and Surfacing" due to increased maintenance program, and "Signals and Interlockers" due to replacement of one car retarder unit in "A" Class Yard, Clearing. Higher wage rates amounted to $198,383. Operating ratio of 12.93 compares with 12.06 in 1970.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense increased $142,797, or 7.3 per cent; that portion chargeable to Belt Railway Separate Operation increased $123,670, or 7.2 per cent, principally due to increased material requirements for diesel locomotive and car repairs. Higher wage rates amounted to $65,407. Operating ratio of 12.36 compares with 11.82 in 1970.

TRANSPORTATION:

Gross Transportation expense increased $40,149, or 0.4 per cent; that portion chargeable to Belt Railway Separate Operation decreased $91,831, or 1.0 per cent. Higher wage rates amounted to $895,668. Operating ratio decreased to 58.46 from 60.57 in 1970.

GENERAL:

Gross General expense increased $78,110, or 6.0 per cent; that portion chargeable to Belt Railway Separate Operation increased $13,570, or 1.4 per cent. Higher wage rates amounted to $123,446. Operating ratio decreased to 6.78 from 6.86 in 1970.

RAILWAY TAX ACCRUALS:

Decrease of $108,355 is due principally to decrease in general property tax accruals and debit adjustment previous year of same tax account under-accrual year 1968.

JOINT FACILITY RENT INCOME:

Decrease of $1,591,186 is due to decrease in amount of loss in Belt Separate Operation for year 1971, as compared to the loss apportioned to Owner Lines for the year 1970.

HIRE OF FREIGHT CARS:

Decrease of $1,325,931 is due to retroactive per diem (time-mileage) received in 1971, reduction in per diem rate and comparison with an abnormal figure in 1970 which reflected heavy increased car detention account congestion during the major truck strike period in 1970.

RAIL TO WATER TRANSFER OPERATION:

Rail to Water transfer operation commenced March 15 and ended December 13, 1971 with a set-back due to United Mine Workers strike from October 1 through November 13. In 1970 the season started March 13 and terminated December 18. Coal tonnage handled over the facility during 1971 totaled 5,604,365 compared with 6,306,276 tons in the previous year, a decrease of 701,911 or 11.1 per cent. Unit train coal handling of lake cargo consignments, introduced for the first time in 1964, constituted 91.4 per cent of the total coal tonnage handled during 1971.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

BELT INDUSTRIES:

During the year twenty-two (22) new industries were located and thirty-nine (39) vacated, compared with eleven (11) located and fifteen (15) vacated in 1970.

Belt conveyed 77 acres of property in Clearing to Bedford Industrial Park Venture, in which Belt retains an interest as partner in the development of an industrial district. The project is moving ahead of schedule and its prospects are bright.

INCOME STATEMENT

For the Year ended December 31, 1971, compared with the Year ended December 31, 1970

	1971	1970	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	$ 4,864,790	$ 5,212,249	$ (347,459)
Local switching	8,689,611	8,386,899	302,712
Demurrage	1,260,832	796,700	464,132
Rents of buildings and other property	480	50	430
Miscellaneous	49,846	103,961	(54,115)
Joint facility - Cr.			
Total railway operating revenues	$14,865,559	$14,499,859	$ 365,700
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	$ 1,921,832	$ 1,748,855	$ 172,477
Maintenance of equipment	1,837,205	1,713,535	123,670
Traffic	9,988	11,941	(1,953)
Transportation-Rail line	8,690,869	8,782,700	(91,831)
General	1,008,595	995,025	13,570
Total railway operating expenses (Detail pages 18-16)	$18,467,989	$18,252,056	$ 215,933
Net revenue from railway operations	$ 1,397,570	$ 1,247,803	$ 149,767
Operating ratio	90.60	91.39	(.79)
RAILWAY TAX ACCRUALS:			
General property	$ 634,147	$ 698,639	$ (64,492)
Federal Income	-	67,765	(67,765)
Retirement	958,601	939,424	19,177
Unemployment	211,456	214,112	(2,656)
Other	16,383	9,002	7,381
Total railway tax accruals	$ 1,820,587	$ 1,928,942	$ (108,355)
Railway operating income	$ (423,017)	$ (681,139)	$ (258,122)
RENT INCOME:			
Rent from locomotives	$ 12,614	$ 10,793	$ 1,821
Rent from work equipment	2,467	5,241	(2,774)
Joint facility rent income	2,036,605	3,627,791	(1,591,186)
Total rent income	$ 2,051,686	$ 3,643,825	$(1,592,139)
RENTS PAYABLE:			
Hire of freight cars-Debit balance	$ 157,851	$ 1,483,782	$(1,325,931)
Rent for locomotives	-	183	(183)
Rent for work equipment	-	-	-
Joint facility rents	121,075	137,500	(16,425)
Total rents payable	$ 278,926	$ 1,621,465	$(1,342,539)
Net rents	$ 1,772,760	$ 2,022,360	$ (249,600)
Net railway operating income	$ 1,349,743	$ 1,341,221	$ 8,522

INCOME STATEMENT - CONCLUDED

For the Year ended December 31, 1971, compared with the Year ended December 31, 1970

	1971	1970	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	$ 31,731	$ 23,903	$ 7,828
Miscellaneous rent income	241,807	237,881	3,926
Income from non-operating property	33,871	31,911	1,960
Interest income	64,473	56,630	7,843
Income from sinking and other reserve funds	101,522	119,891	(18,369)
Miscellaneous income	340,325	304,701	35,624
Total other income	$ 813,729	$ 774,917	$ 38,812
Total income	$2,163,472	$2,116,138	$ 47,334
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	$ 446	$ 2	$ 444
Miscellaneous tax accruals	83,853	91,148	(7,295)
Miscellaneous income charges	102,617	81,948	20,669
Total miscellaneous deductions	$ 186,916	$ 173,098	$ 13,818
Income available for fixed charges	$1,976,556	$1,943,040	$ 33,516
FIXED CHARGES:			
Rent for leased roads and equipment	$ 69,130	$ 69,427	$ (297)
Interest on funded debt	1,762,464	1,749,111	13,353
Amortization of discount on funded debt	4,972	4,970	2
Total fixed charges	$1,836,566	$1,823,508	$ 13,058
Income after fixed charges	$ 139,990	$ 119,532	$ 20,458
EXTRAORDINARY AND PRIOR PERIOD ITEMS:			
Extraordinary items (net)	-	-	-
Federal Income taxes on extraordinary & prior items	-	-	-
Total extraordinary & prior period items	-	-	-
Net income transferred to Retained Income	$ 139,990	$ 119,532	$ 20,458

RETAINED INCOME UNAPPROPRIATED
To December 31, 1971

Credit balance at beginning of year	$1,750,856
Additions	-
Credit balance transferred from income	139,990
Credit balance December 31, 1971	$1,890,846

COMPARATIVE GENERAL BALANCE SHEET
ASSETS

	December 31, 1971	December 31 1970	Increase or (Decrease)
CURRENT ASSETS:			
Cash	Cr. $ 2,659	Cr. $ 226,347	$ 223,688
Temporary cash investments	1,748,429	1,796,347	(47,918)
Special deposits	532	1,318	(786)
Traffic and car-service balances-Dr.	367,263	452,148	(84,885)
Miscellaneous accounts receivable	1,736,880	2,239,286	(502,406)
Interest and dividends receivable	-	279	(279)
Accrued accounts receivable	1,383,996	799,123	584,873
Working fund advances	2,040	1,695	345
Prepayments	102,523	141,075	(38,552)
Material and supplies	668,912	547,464	121,448
Total current assets	$ 6,007,916	$ 5,752,388	$ 255,528
SPECIAL FUNDS:			
Sinking funds	$ -	$ -	$ -
Capital and other reserve funds	2,332,514	1,473,770	858,744
Insurance and other funds	23,152	14,010	9,142
Total special funds	$ 2,355,666	$ 1,487,780	$ 867,886
PROPERTIES:			
Road (See pages 10 and 11)	$30,193,122	$30,918,598	$ (725,476)
Equipment (See pages 11 and 18)	6,874,289	6,820,313	53,976
Construction work in progress	28,569	21,096	7,473
Improvements on leased property	41,167	36,375	4,792
Total transportation property	$37,137,147	$37,796,382	$ (659,235)
Accrued depreciation - Road and equipment	(8,216,084)	(7,827,525)	(388,559)
Total transportation property less recorded depreciation and amortization	$28,921,063	$29,968,857	$(1,047,794)
Miscellaneous physical property	6,848,797	6,873,318	(24,521)
Total properties less recorded depreciation and amortization	$35,769,860	$36,842,175	$(1,072,315)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	* $ 364,121	$ 359,895	$ 4,226
Unamortized discount on long term debt	78,284	83,256	(4,972)
Other deferred charges	242,627	189,218	53,409
Total other assets and deferred charges	$ 685,032	$ 632,369	$ 52,663
Total assets	$44,818,474	$44,714,712	$ 103,762

* Includes $361,855 due from Penn Central Co. subject to Section 77 of the Bankruptcy Act.

DECEMBER 31, 1971 AND DECEMBER 31, 1970
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1971	December 31, 1970	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable. .	$ 1,168,045	$ 1,224,698	$ (56,653)
Miscellaneous accounts payable. . . .	54,319	141,765	(87,446)
Interest matured unpaid	532	1,318	(786)
Unmatured interest accrued.	555,485	554,278	1,207
Accrued accounts payable.	81,639	99,841	(18,202)
Federal income taxes accrued.	-	-	-
Other taxes accrued	1,019,649	952,432	67,217
Other current liabilities	157,400	36,723	120,677
Total current liabilities	$ 3,037,069	$ 3,011,055	$ 26,014
LONG-TERM DEBT DUE WITHIN ONE YEAR:			
Equipment obligations and other debt	* $ 827,500	$ 82,500	$ 745,000
LONG-TERM DEBT:			
First Mortgage 4-5/8% Sinking Fund Bonds, Series A, due August 15, 1987.	$29,800,000	$31,267,000	$(1,467,000)
Equipment obligations	345,625	428,125	(82,500)
Amounts payable to affiliated companies	5,370,775	4,625,775	745,000
Total long-term debt.	$35,516,400	$36,320,900	$ (804,500)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	$ 100,337	$ 104,065	$ (3,728)
Other deferred credits.	96,322	95,336	986
Total other liabilities and deferred credits.	$ 196,659	$ 199,401	$ (2,742)
SHAREHOLDERS' EQUITY:			
Capital Stock issued. . $3,120,000 (A) Less held by or for company . . . . . None	$ 3,120,000	$ 3,120,000	$ -
Capital surplus:			
Paid-in surplus	230,000	230,000	-
Retained income - Unappropriated. . .	1,890,846	1,750,856	139,990
Total shareholders' equity.	$ 5,240,846	$ 5,100,856	$ 139,990
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$44,818,474	$44,714,712	$ 103,762

(A) Owned one-thirteenth each - AT&SF, C&O, C&EI, BN, CRI&P, Erie Lackawanna, GTW, IC, L&N, L&N-Mon Div., N&W, Penn Central, Soo Line.

* Includes $745,000 representing one year's Sinking Fund requirement.

ROAD AND EQUIPMENT PROPERTY

	Balance December 31, 1970	1971 Additions & Betterments	1971 Retirements	Balance December 31, 1971
ROAD:				
Engineering	$ 668,566	$ -	$ 2,559	$ 666,007
Land for transportation purposes.	10,710,810	16,000	792,633	9,934,177
Grading	4,398,477	-	-	4,398,477
Bridges, trestles and culverts.	1,918,458	-	-	1,918,458
Ties	1,020,087	388	2,086	1,018,389
Rails	2,571,710	11,327	2,746	2,580,291
Other track material.	2,153,358	6,825	8,876	2,151,307
Ballast	588,512	-	-	588,512
Track laying and surfacing.	1,037,493	211	1,054	1,036,650
Fences, snowsheds and signs	7,843	-	-	7,843
Station and office buildings.	1,217,810	18,343	40,993	1,195,160
Roadway buildings	77,874	13,844	297	91,421
Water stations	66,317	-	-	66,317
Fuel stations	65,376	-	-	65,376
Shops and engine houses	689,727	31,190	24,178	696,739
Wharves and docks	40,369	-	-	40,369
Communication systems	247,246	15,900	5,464	257,682
Signals and Interlockers.	1,514,076	2,562	6,531	1,510,107
Power plants.	50,495	-	-	50,495
Power-transmission systems.	124,309	-	-	124,309
Miscellaneous structures.	69,812	432	-	70,244
Roadway machines.	372,282	60,783	29,879	403,186
Carried forward	$29,611,007	$177,805	$917,296	$28,871,516

ROAD AND EQUIPMENT PROPERTY - CONCLUDED

	Balance December 31, 1970	1971		Balance December 31, 1971
		Additions & Betterments	Retirements	
ROAD: Brought Forward	$29,611,007	$177,805	$917,296	$28,871,516
Roadway small tools	13,667	-	100	13,567
Public improvements - construction	700,374	2,353	-	702,727
Other expenditures - Road	524	-	-	524
Shop machinery	227,982	21,615	15,567	234,030
Power plant machinery	365,044	5,714	-	370,758
Total Road	$30,918,598	$207,487	$932,963	$30,193,122
EQUIPMENT:				
Diesel locomotives	$ 6,272,503	$ -	$ -	$ 6,272,503
Freight-train cars	239,219	-	-	239,219
Work equipment	131,020	1,648	-	132,668
Miscellaneous equipment	177,571	66,202	13,874	229,899
Total Equipment	$ 6,820,313	$ 67,850	$ 13,874	$ 6,874,289
TOTAL	$37,738,911	$275,337	$946,837	$37,067,411

FUNDED DEBT

For the Year ended December 31, 1971

First Mortgage Bonds issued
August 15, 1962 due August 15,
1987 Bankers Trust Company,
New York, Trustee

Total amount authorized	$75,000,000
Total issued August 15, 1962 - $37,250,000	
4-5/8% Sinking Fund Bonds Series	
"A" due August 15, 1987	
For purchase of property formerly leased from Chicago and Western Indiana Railroad Company August 15, 1962	$36,662,852
Proceeds expended for financing expenses also for additions and betterments subsequent to August 15, 1962.	587,148
Total issued	$37,250,000
Less: Redeemed and cancelled	6,705,000
Total Outstanding at December 31, 1971	$30,545,000

OPERATING EXPENSES

For the Year ended December 31, 1971, compared with the Year ended December 31, 1970

	1971	1970	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	$ 213,876	$ 205,675	$ 8,201
Roadway maintenance	146,793	138,081	8,712
Bridges, trestles, and culverts	88,221	106,562	(18,341)
Ties	138,583	91,100	47,483
Rails	30,474	70,938	(40,464)
Other track material	127,204	103,174	24,030
Ballast	51,456	21,864	29,592
Track laying and surfacing	737,444	564,223	173,221
Fences, snowsheds, and signs	7,885	6,569	1,316
Station and office buildings	110,683	87,327	23,356
Roadway buildings	19,305	17,628	1,677
Water stations	1,409	3,365	(1,956)
Fuel stations	724	608	116
Shops and enginehouses	58,043	59,032	(989)
Communication systems	107,118	112,395	(5,277)
Signals and interlockers	442,681	355,393	87,288
Power plants	3,972	8,446	(4,474)
Power-transmission systems	9,954	3,541	6,413
Miscellaneous structures	8,052	5,940	2,112
Road property - Depreciation (Leased)	139	139	-
Road property - Depreciation (Owned)	172,517	168,813	3,704
Retirements - Road	Cr. 16,683	14,391	(31,074)
Roadway machines	27,818	30,553	(2,735)
Dismantling retired road property	9,371	13,946	(4,575)
Small tools and supplies	41,990	35,844	6,146
Removing snow, ice, and sand	70,644	83,646	(13,002)
Public improvements - Maintenance	27,828	13,661	14,167
Injuries to persons	24,573	43,468	(18,895)
Insurance	39,052	30,250	8,802
Stationery and printing	3,718	4,884	(1,166)
Employees health and welfare benefits	74,524	66,313	8,211
Equalization-way and structures	-	-	-
Right-of-way expenses	372	2,218	(1,846)
Other expenses	1,779	1,628	151
Maintaining joint tracks, yards and other facilities - Dr.	91,655	70,737	20,918
Gross total	$2,873,174	$2,542,352	$330,822
Maintaining joint tracks, yards and other facilities - Cr.	951,842	793,497	158,345
Net - Belt Railway - Separate operation	$1,921,332	$1,748,855	$172,477
Ratio to operating revenues	12.93	12.06	.87

OPERATING EXPENSES - CONTINUED

For the Year ended December 31, 1971, compared with the Year ended December 31, 1970

	1971	1970	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	$ 84,680	$ 79,449	$ 5,231
Shop machinery	5,167	3,248	1,919
Power-plant machinery	5,463	16,521	(11,058)
Shop and power plant machinery Depreciation (Owned)	14,234	16,224	(1,990)
Dismantling ret. shop & power plant machinery	-	6,580	(6,580)
Diesel locomotives - Repairs	872,037	840,837	31,200
Freight-train cars - Repairs	543,982	439,353	104,629
Work equipment - Repairs	12,842	7,390	5,452
Miscellaneous equipment - Repairs	35,242	32,446	2,796
Dismantling retired equipment (Owned)	133	59	74
Retirement-Equipment	-	-	-
Equipment - Depreciation (Owned)	289,519	279,747	9,772
Injuries to persons	18,966	22,668	(3,702)
Insurance	65,720	55,009	10,711
Stationery and printing	4,032	3,648	384
Employees health and welfare benefits	46,274	43,157	3,117
Joint maintenance of equipment expenses - Dr.	96,546	105,322	(8,776)
Other expenses	1,739	2,121	(382)
Gross total	$2,096,576	$1,953,779	$142,797
Joint maintenance of equipment expenses - Cr.	259,371	240,244	19,127
Net - Belt Railway - Separate operation	$1,837,205	$1,713,535	$123,670
Ratio to operating revenues	12.36	11.82	.54
TRAFFIC:			
Superintendence	$ 43	$ 558	$ (515)
Advertising	4,801	8,409	(3,608)
Stationery and printing	6,206	4,998	1,208
Employees health and welfare benefits	81	154	(73)
Gross total	$ 11,131	$ 14,119	$ (2,988)
Charged to Owner Line operation	1,143	2,178	(1,035)
Net - Belt Railway - Separate operation	$ 9,988	$ 11,941	$ (1,953)
Ratio to operating revenues	.07	.08	(.01)

OPERATING EXPENSES - CONTINUED

For the Year ended December 31, 1971, compared with the Year ended December 31, 1970

	1971	1970	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	$ 450,872	$ 424,903	$ 25,969
Dispatching trains	125,119	108,567	16,552
Station employees	884,898	867,666	17,232
Weighing, inspection, and demurrage bureaus	5,486	5,689	(203)
Station supplies and expenses	39,196	44,476	(5,280)
Yardmasters and yard clerks	724,055	692,145	31,910
Yard conductors and brakemen	2,585,748	2,992,281	(406,533)
Yard switch and signal tenders	587,659	571,260	16,399
Yard enginemen	1,887,312	1,805,045	82,267
Yard switching fuel	309,642	317,065	(7,423)
Water for yard locomotives	1,162	1,563	(401)
Lubricants for yard locomotives	50,910	47,579	3,331
Other supplies for yard locomotives	35,749	41,164	(5,415)
Enginehouse expense - Yard	286,813	250,858	35,955
Yard supplies and expenses	828,622	846,622	(18,000)
Crossing protection	16,782	12,165	4,617
Communication system operation	37,906	33,345	4,561
Employees health and welfare benefits	367,553	356,694	10,859
Stationery and printing	45,875	49,936	(4,061)
Other expenses	9,209	2,621	6,588
Insurance	161,575	54,905	106,670
Clearing wrecks	80,077	88,346	(8,269)
Damage to property	88,225	45,537	42,688
Loss and damage - Freight	243,211	110,402	132,809
Injuries to persons	222,861	257,740	(34,879)
Operating joint yards and terminals - Dr.	433,641	441,435	(7,794)
Gross total	$10,510,158	$10,470,009	$ 40,149
Operating joint yards and terminals - Cr.	1,819,289	1,687,309	131,980
Net - Belt Railway - Separate operation	$ 8,690,869	$ 8,782,700	$ (91,831)
Ratio to operating revenues	58.46	60.57	(2.11)

OPERATING EXPENSES - CONCLUDED

For the Year ended December 31, 1971, compared with the Year ended December 31, 1970

	1971	1970	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	$ 313,100	$ 289,577	$ 23,523
Salaries and expenses of clerks and attendants	561,784	557,251	4,533
General office supplies and expenses	229,134	179,434	49,700
Law expenses	75,307	70,976	4,331
Insurance	1,132	1,516	(384)
Employees health and welfare benefits	40,032	35,817	4,215
Pensions	79,254	79,274	(20)
Stationery and printing	37,750	51,712	(13,962)
Other expenses	31,473	29,534	1,939
General joint facilities - Dr.	9,098	4,863	4,235
Gross total	$ 1,378,064	$ 1,299,954	$ 78,110
General joint facilities - Cr.	369,469	304,929	64,540
Net - Belt Railway - Separate operation	$ 1,008,595	$ 995,025	$ 13,570
Ratio to operating revenues	6.78	6.86	(.08)
Total gross	$16,869,103	$16,280,213	$588,890
Total deductions	3,401,114	3,028,157	372,957
Total operating expenses - Belt Railway - Separate operation	$13,467,989	$13,252,056	$215,933
Ratio to operating revenues	90.60	91.39	(.79)
Operating revenue per car	$ 21.587	$ 18.770	$ 2.817
Operating expense per car	$ 19.557	$ 17.154	$ 2.403

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operation"	1971		1970		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	180,449	26.20	226,823	29.36	(20.45)
Empty cars	159,584	23.18	177,809	23.02	(10.25)
LOCAL:					
Loaded cars	177,765	25.81	191,574	24.80	(7.21)
Empty cars	170,850	24.81	176,316	22.82	(3.10)
Total	688,648	100.00	772,522	100.00	(10.86)
TOTAL:					
Loaded cars	358,214	52.02	418,397	54.16	(14.38)
Empty cars	330,434	47.98	354,125	45.84	(6.69)
Total	688,648	100.00	772,522	100.00	(10.86)
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards	250,304		284,317		(11.96)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago	882,191		774,386		13.92
Total cars handled	1,821,143		1,831,225		(0.55)

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "Separate Operation" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1967	248,136	205,550	269,859	247,343	970,888
1968	160,002	139,885	160,155	145,368	605,410
1969	208,924	163,257	190,844	173,742	736,767
1970	226,823	177,809	191,574	176,316	772,522
1971	180,449	159,584	177,765	170,850	688,648

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1967	1,054,852
1968	1,013,977
1969	1,090,426
1970	1,058,703
1971	1,132,495

EQUIPMENT OWNED

	Number on Hand Dec. 31, 1970	Changes During Year		Number on Hand Dec. 31, 1971
		Added	Retired	
Locomotives:				
Diesel	45			45
Freight-train Cars:				
Caboose	29			29
Box	1			1
Total	30			30
Work Equipment:				
Flat cars	4			4
Gondola cars	2			2
Truck car	1			1
Refrigerator car	1			1
Instruction car	1			1
Wrecking derrick	1			1
Tool cars	2			2
Jet snow blower	1			1
Commissary cars	2			2
Jordan spreader	1			1
Burro crane	1			1
Total	17			17
Miscellaneous Equipment:				
Automobile trucks	23			23
Station wagon	1			1
Automobile trailers	4			4
4 Door sedans	6	4	4	6
Carryall	1			1
Vac-all cleaning machine	-	1		1
Total	35	5	4	36

MILEAGE OF TRACK OPERATED

	1971				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Owned by The Belt Railway Co.:					
Cragin to South Chicago including Clearing Yard	27.16	25.60	-	297.77	350.53
B - Leased from other companies:					
Chicago, Peoria & Western (Argo)	-	-	-	.52	.52
Clearing Industrial District (North)	-	-	-	12.88	12.88
Clearing Industrial District (South)	-	-	-	3.57	3.57
Total	-	-	-	16.97	16.97
C - Operated under trackage rights from other companies:					
C. & W.I. R.R. Co.					
80th St. to Pullman Jct.	3.56	3.47	-	.03	7.06
Pullman Jct. to South Deering	2.68	2.68	2.54	.38	8.28
South Deering to Burnham	4.76	4.76	.67	3.83	14.02
C.R.I. & P. Ry. - South Chicago	-	-	-	1.57	1.57
Penn Central - South Chicago	-	-	-	.09	.09
I.H.B.R.R. - 55th to Elsdon	1.41	1.40	-	-	* 2.81
B.&O.C.T.R.R.-Clearing to Proviso	9.05	8.09	-	13.70	30.84
B.&O.C.T.R.R. Southwest Division (Cicero District)	-	-	-	6.08	6.08
N & W Railway - Ford Yd. & Lead	-	-	-	1.26	1.26
Calumet Western R.R.-112th to 116th	.51	-	-	-	.51
Penn Central & I.H.B. R.R. (Joint) 116th to 117th	.11	-	-	-	.11
Chicago, West Pullman & Southern - South Chicago	-	-	-	.09	.09
Chesapeake & Ohio Ry. Burnham	-	-	-	.17	.17
Total	22.08	20.40	3.21	27.20	72.89
Total Miles Operated	49.24	46.00	3.21	341.94	440.39

*Trackage Rights Not Exercised.

YARD TRACKS OWNED BY THE BELT RAILWAY CO. BUT NOT OPERATED

(Not included in above mileage)

Leased To	Location	Miles of Road
C.W.P. & S. R.R.	Warner Branch	1.46
C. & O. Ry. Co.	Rockwell St. Yard	10.91
	Total	12.37

TRACKAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
I.H.B.R.R.	Elsdon Branch	1.51
E.J. & E.Ry.	South Chicago to Mill Gate & South Deering	3.40
Chicago Short Line	South Chicago to South Deering	2.90
	Total	7.81

REPORT OF CONTROLLER

The statements included in this report have been prepared from records maintained under my supervision and to the best of my knowledge and belief set out the amounts shown in accordance with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission.

M. B. OSTROWSKI

Controller

Chicago , Illinois

March 15, 1972